In the Claims

Claims 1-49 (canceled)

50. (currently amended) A method for structuring an interest-bearing instrument in a subject market, the instrument having a debtor, a creditor, a sensitivity to parameter changes, an extension risk, a credit risk, and an underlying obligation having a principal size, an interest rate, and a payment timing, comprising the steps of:

(a) providing that the instrument's sensitivity to parameter changes allow, from any time zero, ~~a~~ the debtor and ~~a~~ the creditor to agree upon any possible combination or permutation of principal and interest to be paid, and ~~the~~ any possible timing thereof;

(b) providing that the instrument's extension risk and credit risk, from any time zero, be completely subject to the creditor's and debtor's control through a calculation of an agreement upon interest rates; and

(c) providing that any options in the subject market, from any time zero, ~~may~~ are allowed to be made explicit, ~~may be~~ priced, and ~~may be~~ used to ~~control~~ correlatively adjust the principal size, interest rate, and payment timing of the underlying obligation.

Claim 51 (canceled)

52. (currently amended) The method of claim 50, ~~wherein~~ further comprising the step of pricing and capturing the value of a financial ~~entities'~~ entity's regulatory capital savings ~~is done~~ using the following equation:

$$RCS_t = (\sum_{i=1}^{i=T}(((L_{ua} - L_R)_i * RCW * RCP * R_{k_i} / F) * (1 + \overline{R}_{f_i} / F)^{-i} / L_{ua_i})) * 10000$$

where:

RCS is Risk Capital Savings;

L_{ua} is Unamortized Loan Balance: Monthly;

L_R Loan: RAM variant (contains rate put option);

RCW is Risk Capital Weight;

RCP Risk Capital Percentage;

R_k is Contract Rate Discount Factor;

$\overline{R}_{f_t}$ is Strike Rate Discount Factor; and

F is Periodicity.

Claims 53-104 (canceled)

105. (currently amended) A computer-based system for structuring an interest-bearing instrument in a subject market, the instrument having a debtor, a creditor, a sensitivity to parameter changes, an extension risk, a credit risk, and an underlying obligation having a principal size, an interest rate, and a payment timing, comprising:

(a) means for providing that the instrument's sensitivity to parameter changes allow, from any time zero, ~~a~~ the debtor and ~~a~~ the creditor to agree upon any possible combination or permutation of principal and interest to be paid, and ~~the~~ any possible timing thereof;

(b) means for providing that the instrument's extension risk and credit risk, from any time zero, be completely subject to the creditor's and debtor's control through a calculation of an agreement upon interest rates; and

(c) means for providing that any options in the subject market, from any time zero, ~~may~~ are allowed to be made explicit, ~~may be~~ priced, and ~~may be~~ used to ~~control~~ correlatively adjust the principal size, interest rate, and payment timing of the underlying obligation.

Claim 106 (canceled)

107. (currently amended) The method of claim 105, ~~wherein~~ further comprising the step of pricing and capturing the value of a financial ~~entities'~~ entity's regulatory capital savings ~~is done~~ using the following equation:

$$RCS_t = (\sum_{i=1}^{i=T}(((L_{ua} - L_R)_i * RCW * RCP * R_{k_i} / F) * (1 + \overline{R}_{f_i} / F)^{-i} / L_{ua_i})) * 10000$$

where:

RCS is Risk Capital Savings;

L_{ua} is Unamortized Loan Balance: Monthly;

L_R Loan: RAM variant (contains rate put option);

RCW is Risk Capital Weight;

RCP Risk Capital Percentage;

R_k is Contract Rate Discount Factor;

$\overline{R}_{f_i}$ is Strike Rate Discount Factor; and

F is Periodicity.

108. (currently amended) A computer-based method for structuring an interest-bearing instrument in a subject market, the instrument having a debtor, a creditor, a sensitivity to parameter changes, an extension risk, a credit risk, and an underlying obligation having a principal size, an interest rate, and a payment timing, comprising the steps of:

(a) providing that the instrument's sensitivity to parameter changes allow, from any time zero, ~~a~~ the debtor and ~~a~~ the creditor to agree upon any possible combination or permutation of principal and interest to be paid, and ~~the~~ any possible timing thereof;

(b) providing that the instrument's extension risk and credit risk, from any time zero, be completely subject to the creditor's and debtor's control through a calculation of an agreement upon interest rates; and

(c) providing that any options in the subject market, from any time zero, ~~may~~ are allowed to be made explicit, ~~may be~~ priced, and ~~may be~~ used to ~~control~~ correlatively adjust the principal size, interest rate, and payment timing of the underlying obligation.

109. (currently amended) The computer-based method of claim 108, ~~wherein~~ further comprising the step of pricing and capturing the value of a financial ~~entities'~~ entity's regulatory capital savings ~~is done~~ using the following equation:

$$RCS_t = (\sum_{i=1}^{i=T}(((L_{ua} - L_R)_i * RCW * RCP * R_{k_i} / F) * (1 + \overline{R}_{f_i} / F)^{-i} / L_{ua_i})) * 10000$$

where:

RCS is Risk Capital Savings;

L_{ua} is Unamortized Loan Balance: Monthly;

L_R Loan: RAM variant (contains rate put option);

RCW is Risk Capital Weight;

RCP Risk Capital Percentage;

R_k is Contract Rate Discount Factor;

$\overline{R}_{f_t}$ is Strike Rate Discount Factor; and

F is Periodicity.